

LINCOLN DAVIS
4TH DISTRICT, TENNESSEE

NHTSA-03-17015

S10-040304-003

COMMITTEES:
TRANSPORTATION AND
INFRASTRUCTURE
SCIENCE
AGRICULTURE



Congress of the United States
House of Representatives
Washington, DC 20515-4204

February 25, 2004

The Honorable Secretary Norman Mineta
Secretary
U.S. Department of Transportation
400 7th Street, SW
Washington, D.C. 20590

DEPT. OF TRANSPORTATION
DOCKETS
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Dear Mr. Secretary:

I have been informed that the National Highway and Traffic Safety Administration of the Department of Transportation is considering a petition by Nissan North America, Inc., for a statutory exemption from the Corporate Average Fuel Economy program that requires separate fuel economy calculations for domestically and non-domestically manufactured passenger cars (known as the two-fleet or fleet-split requirement). Originally granted to VW more than 20 years ago, the exemption is intended to encourage international manufacturers to produce cars in the United States.

It is my understanding that after 2005, NAFTA requires Nissan vehicles made in Mexico for the U.S. market to be treated as domestically produced for measuring fuel economy, and that this could result in Nissan having to pay a CAFE penalty. To avoid this penalty, Nissan could reduce the domestic content of the vehicles made in Mexico. That would reduce jobs at U.S. auto parts suppliers. Or, Nissan could reduce production in the United States of passenger cars, including the Nissan Maxima and Altima, which are made in Tennessee. That would reduce jobs in my state. I am sure you will agree that neither option is a good one for workers in Tennessee or the rest of the United States.

Nissan is seeking the statutory exemption so it will not have to reduce U.S. manufacturing and employment, and instead seeks to increase U.S. domestic production. I am informed that the law requires that an exemption be granted unless you determine that the exemption will reduce motor vehicle production employment in the United States.

I am writing to let you know that the opposite is true: with the exemption, Nissan can and will increase employment in the U.S. Their Smyrna and Decherd, Tennessee factories continue to grow rapidly. Without the exemption, Nissan may be forced to reduce U.S. employment to avoid being penalized by the U.S. government. The exemption will allow Nissan to maintain current levels of domestic production of the Maxima (produced in Smyrna), Altima (produced in currently in Smyrna, Tennessee and soon in Canton, Mississippi also), and the

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Sentra (using U.S.-made components in Mexico), along with engine production at Decherd, Tennessee.

Granting the exemption will allow Nissan to continue its current expansion plans beyond 2005 and will facilitate continued increases in domestic production and employment in the United States from now through 2010. Most important, it will meet Congress' goal of increasing U.S production and will benefit the workers of my state, which is part of the growing Southern auto manufacturing corridor. Thus I urge you to grant this petition for exemption from the two-fleet requirement.

Thank you for your consideration of this issue.


Sincerely,



Lincoln Davis
Member of Congress

LD:BM

Submission to Docket 2003-17015


From: Kenneth R. Katz
Lead Engineer
Corporate Average Fuel Economy (CAFE)

Subject: Letters to be docketed

Please place the attached letters in Docket 2003-17015.